

ASX ANNOUNCEMENT

11 July 2024

MEC RESOURCES LIMITED – REINSTATEMENT TO TRADING UPDATE

MEC Resources Limited (**MEC** or the **Company**) (ASX:MMR) would like to provide shareholders with an update regarding the current trading suspension of the Company's securities and the process being undertaken to expedite the reinstatement of its shares to active trading status on the Australian Securities Exchange (**ASX**).

The Company continues to liaise with ASX as it works towards the return of its shares to trading status. On 27 June 2024, MEC made a further formal submission to the ASX, following its previous submissions on 16 December 2020, 12 January 2022, and 13 September 2022.

As part of the process of moving MEC toward being readmitted to trading status on the ASX, the Company will shortly undertake a capital raising which will comprise an offer conducted pursuant to a full form prospectus (**Capital Raising**). It is intended that the Capital Raising will be an entitlement offer of one (1) Share for every one (1) Share held by shareholders at the record date, at an issue price of \$0.005 per Share, with one (1) free attaching option for every two (2) Shares subscribed or and issued to raise approximately \$5,260,000.

It is intended that the funds raised from the Capital Raising along with the Company's existing cash reserves will be applied in the following manner:

| Funds available | Full Subscription (\$) | Percentage of Funds (%) |
|--|------------------------|-------------------------|
| Existing cash reserves | 261,658 | 4.7 |
| Funds raised from the Offer | 5,261,746 | 95.3 |
| Total | \$5,523,404 | 100.00 |
| Allocation of funds | | |
| Additional investment in current investee Advent | 1,650,000 | 29.9 |
| Investment in new PDF authorised investments | 1,650,000 | 29.9 |
| Due Diligence | 50,000 | 0.9 |
| Corporate overhead & administration costs | 450,000 | 8.1 |
| Maximum Offset entitlement | 817,299 | 14.8 |
| Repayment of loan to BPH | 168,903 | 3.1 |
| Expenses of the Offer | 327,673 | 5.9 |
| Working capital | 409,529 | 7.4 |
| Total | \$5,523,404 | 100% |

*The above table is a statement of current intentions as of the date of this announcement. As with any budget, intervening events and new circumstances have the potential to affect the ultimate way funds will be applied.

The indicative capital structure following the completion of the Capital Raising is as follows:

| | Full Subscription |
|--|--------------------------|
| Shares currently on issue | 1,052,349,189 |
| Shares proposed to be issued pursuant to the Capital Raising | 1,052,349,189 |
| Total Shares on completion of the Capital Raising | 2,104,698,378 |
| Options currently on issue | 104,859,377 |
| Options proposed to be issued under the Capital Raising | 526,174,594 |
| Total Options on completion of the Capital Raising | 631,003,972 |

Following completion of the Capital Raising, the Company will have a minimum of \$2,000,000 in cash plus other assets, to satisfy ASX Listing Rule 12.2 and 1.3.4. The Company confirms that it will also have a free float at the time of its reinstatement of not less than 20%.

The Company is no longer seeking to expand its investment strategy and mandate and from reinstatement will continue to focus on its original and existing investment mandate as adopted at listing, being investments in companies/projects in the energy and/or mineral resources sector. "Resources" under the Company's investment mandate includes all operations primarily engaged in the exploration for metals, minerals occurring naturally as solids such as coal and ores, energy, liquids such as crude petroleum, or gases such as natural gas. The investment scope may also include the provision of technology and services for exploration.

The Company has given consideration to a number of new investments whilst concurrently monitoring its position in relation to existing investments and any follow-on capital investment requirements. As MEC's current major investment lies in Advent Energy Limited (**Advent**), the Company will continue to assess Advent and its development or opportunities going forward, as well as undertake investigations to identify suitable opportunities in the oil, gas, and energy/resource sector to expand its existing investment portfolio.

Indicative timetable

MEC is endeavouring to meet all ASX requirements for reinstatement by 31 October 2024. This will include finalisation and lodgement of a full form prospectus in relation to the Capital Raising by mid-August 2024.

MEC is confident of meeting all its requirements under the Listing Rules to seek re-quotation on ASX. The Company reminds shareholders however that reinstatement to the ASX is at the discretion of the ASX as to when the Company's securities will be reinstated.

David Breeze (Managing Director) authorized the release of this announcement to the market.

For further information please contact:

David Breeze
Managing Director – MEC Resources Limited
Ph: +61 409 150 953